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26 May 1962

Dear Dick:

at 5³⁰ pm. +

Yesterday afternoon, I was confronted with an urgent request to approve the purchase by CAT (subject to possible Agency support at a later date) in the amount of \$1, 200, 000 for two DeHaviland Caribou aircraft for use in Southeast Asia or other appropriate areas. It was represented that unless this request was approved by the close of business yesterday, we would lose the opportunity to obtain the aircraft.

A telephone check with the Department of Defense indicates that this aircraft is fully operational as a standard item within the Department of the Army, that the bulk of Army aircraft of this type are now deployed in Southeast Asia, that the price of the aircraft to the Department of the Army is in the neighborhood of \$600, 000 apiece, that the Department of the Army wants more of these aircraft but cannot presently fund them, and that there are presently available on the open market six of these aircraft at the factory, and that the production of these aircraft is four per month, which could be increased to twelve per month if the demand warranted.

I signed the request with reluctance and some misgivings. This is no way to run a railroad, no way to establish requirements for aircraft, and no way to justify an expenditure of this magnitude. Further, it should be noted that we are adding a new type aircraft to an already overloaded and ill-assorted inventory of planes, in a quantity so limited that the spare parts and operational factors will add a new burden to CAT. It would appear to me that with a budget as small as ours and with our current policy to freeze on that budget, we should best utilize every possible Department of Defense facility before making capital commitments of this sort.

As I said above, I signed the request with reluctance and misgivings -- I now wish I had not and, in order to reassure myself that there was some valid reason for approving it, I would appreciate oral counter-arguments to my views above.

This is not a memorandum for the record or a testament to hindsight -- this is the only copy of this memo and you can do with it whatever is not physically impossible after I have been reassured.

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28 May 1962

Notes for Mr. Helms with respect to acquisition of two Caribou Aircraft.

1. I have discussed this matter at length [redacted] 25X1
[redacted] I am reassured that the staffing on this request was adequate, and I believe General Carter will be similarly reassured.

2. The plane itself has ten times the carrying capacity of the Helio Courier in personnel, and far more than that in freight. It will carry bulldozers, which can then be used to enlarge airstrips to take C-123s. It is excellent for use in the difficult upcountry terrain of Southeast Asia, particularly in its reversible propeller version (the kind we are getting). We have been damaging our Helio Couriers by straining their limited capacity for jobs which only a plane such as the Caribou can accomplish. 3T

3. Chief, FE and the former DD/P tried to get two Caribou in the Fall of 1961 for use in Southeast Asia. At that time, Defense was costing these items. [redacted] 25X1
[redacted] refused to buy any aircraft for CIA. Earlier this year two of our pilots field-tested a Caribou which happened to be the Defense R&D plane. It was tested to our satisfaction. They loaned us the plane for field use and then shortly thereafter took it away in spite of our urgent need. The 17 May cable from [redacted] pleaded 25X1
urgently for the aircraft. (Headquarters had earlier contested the Station's request for this aircraft.) Colonel

25X1 [redacted] all utilization of CIA air assets in Southeast Asia) urged that we acquire two of these planes, not only for [redacted] but 25X1
for general needs. They filled, in his view, a definite gap in our inventory.

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4. [] tried to get the DeHavilland company to give us two on a lease-purchase basis. DeHavilland refused, and insisted on cash purchase. At the same time, DeHavilland offered us two to be bought promptly, or none would be available for sometime.

5. The FE Division and [] decided to go forward with a request for these planes and a representative of FE Division appeared before the joint [] committee to discuss the requirement. There was unanimous concurrence in the advisability of acquiring the planes, and this concurrence addressed itself not only to the current need for the planes in Southeast Asia, but also to the fact that the planes were necessary in our inventory as filling a need which no other available aircraft could fill.

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6. As a final check, it was decided by the FE Division to wait until the return from the field of the Chief, FE. These steps delayed the submission of the request and were responsible for the last-minute rush to meet the manufacturer's offer.

7. Although the Defense Department has twenty-seven of these aircraft and expects to deploy some eighteen of these to the Far East, it does not have any quantities of the aircraft in the Far East now. None of the aircraft owned by Defense has reversible props, which our aircraft will have. The reversible props practically double the efficiency of the plane for our purposes.

8. The Defense Department will actually be paying off the cost of these aircraft as long as Project [] requirements continue. Besides, in acquiring these planes under ostensible commercial contract, we will be able to use them, in accordance with current contingency planning.

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9. There is a ready market for these aircraft, and if it were decided that all our requirements for them had suddenly, and hopefully, come to a conclusion, it would not be difficult to sell the aircraft at fair prices.

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Intervues



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